

26 June 2023

CCC Merger Inquiry Notice No. 13 of 2023

Notice of Inquiry into the Proposed Merger involving Vantage Mezzanine IV Pan African Sub-Fund Partnership, Kruz IN Ltd and Aquasantec International Limited

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed merger involving Vantage Mezzanine IV Pan African Sub-Fund Partnership (“**Vantage**”), Kruz IN Ltd (“the **Management SPV**”) and Aquasantec International Limited (“**Aquasantec**” or the “**target**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that Vantage is part of Vantage Capital, an Africa-focused fund manager based in Johannesburg that was founded in 2001. Since 2006, the Mezzanine division of Vantage Capital has made 34 investments across four successive funds into 11 African countries. Vantage, the other general partners within the group and the various funds they control are together referred to as the “**Vantage Group**”. The Vantage Group has made multiple debt investments across Africa through the advance of mezzanine loans. In the Common Market, Vantage is active in Egypt, Kenya, Mauritius and Uganda.

The parties have submitted that the Management SPV is a newly incorporated company which has been set up as an investment vehicle for the current senior management of the Target Firm and its subsidiaries. It has no operations and will not be a trading company.

Aquasantec is a holding company incorporated under the laws of the Republic of Mauritius and has the following operational subsidiaries in the Common Market. The Target Group provides innovative water and sanitization solutions in the Common Market. The Target Group primarily provides water access, water storage and water distribution products through the manufacture and wholesale of plastic water tanks, High Density Polyethylene (HDPE) pipes and related sanitation products in Kenya, Rwanda, Uganda and Zambia. In the Common Market, the Target Group is active in Kenya, Rwanda, Uganda and Zambia.

The proposed transaction entails Vantage subscribing for sixty five percent (65%) of the issued share capital of the Target Firm while the remaining 35% shareholding will be acquired by Management SPV. The parties have submitted that the proposed

transaction will enable the merging parties to expand their respective businesses as the Target will be able to expand its operations and increase its efficiencies for the benefit of its customers while Vantage will be able to diversify its portfolio for the benefit of its investors.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether the proposed transaction is likely to substantially prevent or lessen competition within the Common Market and whether the proposed transaction is or would be contrary to the public interest as provided for under Article 26 of the Regulations.

In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the parties to the proposed transaction to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbundhun@comesa.int. All written representations should be sent to the Commission not later than **17 July 2023**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms Sunjida Bundhun, Merger Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or sbundhun@comesa.int.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.